

BuffaloNews.com

Day care issue is a game of numbers

By **Matthew Spina**

Published: January 31, 2010, 6:36 AM

[0 Comments](#)

Updated: August 21, 2010, 4:24 AM

Sometime last year, the Erie County executive's staff ran the numbers.

They figured they would need an unprecedented \$10 million from local taxpayers in 2010 to keep child care subsidies at current levels for working-poor families.

But what if some percentage of those families suddenly lost their subsidies? Would they join the welfare rolls, and how much would that cost local taxpayers?

At most, \$1.4 million, the county's Social Services Department figured. That's because the federal and state governments pay for the bulk of the welfare grants that provide income for the poor.

In general, for every \$25 the county spends, the state and federal governments spend \$75 on welfare grants.

Some of the families already receive Medicaid coverage and other safety net supports. But even if many families joined the Medicaid rolls, the county's cost increases are capped at around 3.5 percent a year. State government assumes the rest.

When County Executive Chris Collins and his Social Services Department focused on child care subsidies they considered unsustainable, they opted to drop some 40 percent of the eligible children, aware of the risk that some working-poor parents will quit their jobs and turn to public assistance because they will be better off.

Even if each of the almost 700 families signed up for safety-net programs — which Social Services experts consider unlikely — county officials knew the cost to local taxpayers would fall well below the \$10 million required to keep those day care subsidies at full steam for another year.

“What kind of message is that sending?” a day care provider asked Thursday as county legislators, parents and officials in the Collins administration searched for a way to continue the subsidies for at least a few more months. The meeting ended with no solution, as the deadline fell on hundreds of families and their day care providers,

who predict layoffs as well.

Erie County in late December gave affected families a 10- day warning, then extended the deadline to 30 days from the date their notice letter was printed. Subsidies will end for the vast majority of those 694 families this week or soon after.

The program's overriding aim involves helping the working poor remain employed and able to make ends meet in low-paying jobs.

Further, Collins has brought a conservative's view to county government, and one conservative principle involves moving people off welfare by helping them find and keep jobs.

The religious group VOICE-Buffalo expressed such a value when it urged Collins last week to soften the blow by retaining subsidies for 90 more days.

"As people of faith, we believe that the working poor should be encouraged to work," the Rev. Paul Bossi said. "We believe in pathways out of poverty."

Aides to Collins say don't blame them — blame state government, which in recent years reduced Erie County's "child care block grant." Other New York counties are in similar straits, or soon will be, said William Graham, the county's first deputy Social Services commissioner.

The recession created more requests for child care aid, he said. So did the state's decision to drop a short-lived rule that single parents must seek child-support from the noncustodial parent in order to collect a subsidy.

Assemblyman Mark J. F. Schroeder, D-Buffalo, has asked the state Office of Children and Family Services to focus on Erie County's situation, which the office is now doing. The state late last week told Erie County that it cannot require day care centers to collect pay stubs from parents to confirm eligibility for the subsidies. The rule was to go into effect Monday.

Schroeder agrees that state government bears some blame for its tendency to pass costs to counties as a way to relieve its own financial stress.

"We all have to do better in a time like this," he said. "If there is a way that the state, through the Office of Children and Family Services and the State Legislature, can help, I stand ready to help."

Schroeder, however, mentioned the more than \$74 million Erie County will receive in federal stimulus dollars over two years to help with its Medicaid expenses. Collins has chosen to plow that money into the government's reserve accounts to cover revenue shortfalls rather than spend it on job creation. Under the stimulus formula, Erie County collects even more if its unemployment rate worsens.

"What about using it for people who, in this case, are working and striving for their families?" Schroeder asked.

The nation's support system for working-poor families has glitches.

The National Center for Children in Poverty, part of the Mailman School of Public Health at Columbia University, recently reported that small increases in income can trigger sharp reductions in benefits, leaving families no better off than before.

Erie County's new eligibility rules provide a case in point. Families whose incomes only slightly exceed Erie County's new limit — 125 percent of the poverty level — will have to spend thousands of dollars a year more on child care.

Erie County's decision will cost more in the long run, and families that return to welfare will find it more difficult to climb out the second time around, said David Seith, a research analyst for the center.

"Churning is bad. It is more expensive to systems," he said. "Gaps in employment make it more difficult to get into other jobs. When there is a gap in tenure, it really hurts."

Erie County officials had looked at the experience elsewhere. Monroe County for a time limited child care subsidies to families earning no more than 125 percent of the poverty level, they said.

Monroe County dropped around 560 families. Just 12 were on public assistance 90 days later.

County legislators want to wrestle \$2.6 million out of Collins, the amount that his Social Services unit says would keep child care subsidies intact for another 90 days. Comptroller Mark C. Poloncarz figures the Collins team has exaggerated the problem and that the county really needs less than \$2 million to continue subsidies for three months.

In 90 days, Erie County should know whether it qualifies for a new round of federal stimulus dollars for child care. But the deadline is now for the families.

Collins' Social Services commissioner, Carol Dankert, has said she hopes parents can turn to relatives, extended relatives or social agencies to work out their day care needs and remain employed.

Jennifer Ward of Buffalo made it work. Ward, a paralegal, predicted in a Buffalo News article Jan. 6 that her monthly child care costs would triple and that she would be better off quitting work, going onto welfare and caring for her two children herself.

Since then, she has found another day care situation that requires her to pay a manageable \$400 a month for the care of her two children rather than the \$700 a month she had initially priced. She will remain employed but figures many other mothers will not be as fortunate. So she wrote Collins a letter to tell him that his decision was misguided:

"As a successful businessman, Mr. Collins, whose business expertise you tout as a

reason for why you were the best candidate for Erie County executive, how can you possibly believe that it makes good business sense to potentially put working families into a position where they can no longer work?

“I will be interested to continue to see how all of this plays out . . . and if within the next 30 to 90 days your administration might not be forced to take a look at a bigger mess that now needs cleaning.”

Comments

There are no comments on this story.

Copyright 1999 - 2010 - The Buffalo News copyright-protected material.